

Chapter 3

Responsibilities and Relationships

Section 300 -- Responsibilities

30001 -- General.

A. Within the Executive Branch, the NSC, the OMB, the Department of the Treasury, and others all have responsibilities related to security assistance. However, aside from the President, the principal legislated responsibilities fall to the Secretary of State and to the DoD.

1. The Secretary of State is responsible for continuous supervision and general direction of the program. This includes determining whether there will be a program for a particular country or activity and, if so, its size and scope. It also includes the determination of whether a particular sale will be made and, if so, when.

2. The SecDef is responsible primarily for establishing military requirements and for implementing programs effecting the transfer of defense articles, and services.

B. The Congress authorizes and appropriates the funds for the USG financed portions of SA. Congress also has an oversight role with respect to the sale of defense articles and services to foreign countries and international organizations.

30002 -- The Department of Defense.

A. The growing size, complexity, and importance of the SA program requires that recommendations, decisions, and implementing actions be coordinated and tracked in a timely manner to ensure coherent support of foreign and national security objectives. Several departments, agencies, and offices are involved in the coordinations. (See Table 300-1.)

B. The SecDef has directed a DoD-wide emphasis on NATO Defense Cooperation in Armaments to embody armaments cooperation, DIC, reciprocal MOU implementation, and SA. It is essential that Defense Cooperation in Armaments activities be coordinated and tracked in a timely manner. See Table 300-2 for channels of decision for Defense Cooperation in Armaments. Table 300-3 lists Defense Cooperation in Armaments programs and the OSD office of responsibility.

C. Detailed requirements relating to security assistance are found in the FAA, AECA, and Executive Orders that give SA authority and responsibility to the SecDef. There is additional detail in applicable DoD directives, instructions, terms of reference, and in specific memoranda signed by high level defense officials. In general, the major responsibilities of the principal DoD components are:

1. USDP acts for the SecDef and is his principal representative and spokesman on SA matters. He works closely with the Director, DSCA, who provides staff support for SA matters. USDP is responsible for overall policy and relationships in regard to the NATO Alliance, and individual nations therein and other alliances and security partners and to ensure that both US and allied technology receive the appropriate and necessary protection through management of technology security. USDP will provide coordination with State for all bilateral/multilateral agreements.
2. The OUSD(P) Assistant Secretaries with regional responsibilities have an interest and coordination responsibilities in security assistance policy that directly affects their regions and work with the Director, DSCA, on regional SA policy matters and budget development.
3. USD(A&T) in coordination with USD(P) is responsible to promote coordination, cooperation, and mutual understanding of all matters related to assigned activities, both inside and outside of DoD, including oversight and policy formulation for international agreements on systems acquisition matters with NATO allies and other friendly nations. Serves as National Armaments Director (NAD) and interfaces with allied NADs. Responsible for delivery and movement policy and policy formulation for international logistics and military construction agreements and implementation of coproduction agreements with NATO allies and other friendly nations in coordination with USD(P). Also responsible for development of policies, systems, plans, and reviews directed at industrial base and resources, industrial preparedness, production and manufacturing support, technical data management. The DoD procurement focal point for armaments cooperation and international acquisition policy.
4. ASD(C) establishes policy and procedures involving financial management, fiscal matters, accounting, pricing, auditing, and international balance of payments as these matters relate to security assistance.
5. DSCA is the principal organizational element through which the SecDef carries out his responsibilities for SA. It serves as the DoD focal point and clearinghouse for tracking arms transfers, budgetary, legislative, and other SA matters through the analysis, coordination, decision, and implementation processes. It keeps all concerned elements of the DoD informed about the status of ongoing SA actions and raises issues through appropriate channels when decision of higher authority is required. The agency is also responsible for the conduct of international logistics and sales negotiations with foreign countries, and the maintenance of liaison with and the provisions of assistance to US industry in the export of military equipment and services. All authorities conferred on the SecDef by the FAA and the AECA, and all authorities under those acts delegated by the President to the SecDef, are redelegated to the Director, DSCA.
6. The Secretaries of the MILDEPs advise the SecDef on all SA matters that have an impact on their departments. They act for the SecDef on SA matters only when the responsibility has been specifically delegated. The Secretaries also ensure that their departments are responsive to the SecDef (or to those to whom an appropriate delegation of authority has been made).
7. MILDEPS have the performance of SA as an integral part of their overall defense mission. They procure and provide defense articles and services to meet approved SA requirements.

They also are responsible for providing information necessary to ensure that proper SA planning can be accomplished; e.g., information related to production capacity that is associated with integrating MILDEP and SA procurement planning.

8. The Director, DLA advises the SecDef on all SA matters impacting on or relating to DLA and acts for the SecDef where responsibility for such action is delegated. DLA is responsible for preparing FMS cases for articles and services managed for DoD by DLA, including cataloging services, contract administration services on US allies' commercial contracts for defense supplies and equipment produced in the US, and the sale of DoD and MAP disposable defense articles. DLA will coordinate on military service FMS cases relating exclusively to medical equipment and supplies, clothing and textiles (C&T), subsistence, and bulk petroleum. As the item manager for consumable stock-funded secondary items, DLA supply centers will work closely with the military services in filling requisitions, processing RODs, case closure, and other actions related to items for which they are the managers.

9. JCS correlates SA objectives with joint military force planning. The Chairman of the JCS provides the SecDef with military advice on SA. The OJCS and, as appropriate, the JCS shall provide a military perspective and advice on proposed transfers of MDE and technology and participate in national disclosure policy considerations.

10. The Unified Commands have SA and Armaments Cooperation responsibilities; i.e., to correlate programs with regional plans, provide military advice, support the SAOs, and contribute to the budget development process.

11. Security Assistance Organizations.

a. The generic term SAO encompasses all DoD elements, regardless of actual title, located in a foreign country with assigned responsibilities for carrying out security assistance management functions under Section 515 of the FAA. This section of the law authorizes members of the MILDEPs to be assigned in foreign countries to manage SA programs administered by the DoD by performing one or more of the following functions:

- (1) Equipment and services case management
- (2) Training management
- (3) Program monitoring
- (4) Evaluation and planning of the host government's military capabilities and requirements
- (5) Administrative support
- (6) Promoting RSI, and other armaments cooperation measures
- (7) Liaison functions exclusive of advisory and training assistance

b. The purpose, under US law, for establishing and assigning personnel to an SAO is for in-country management of international SA programs conducted under Chapter 2 and Chapter 5 of the FAA and under the AECA. The programs include grant military assistance (including those grant programs provided under the authority of Peacekeeping Operations, Section 551, Chapter 6, FAA), IMET, and FMS. The SAO is the in-country mechanism, as authorized under DoD Directive 5132.3, under the direction and supervision of the Chief of the US Diplomatic Mission, for ensuring that DoD SA management responsibilities, prescribed by US law and Executive direction, are properly executed.

c. The functions which should normally be performed by SA personnel assigned to the SAO under the authority of FAA Sec 515 are as follows:

(1) ***Program Management and Oversight.*** These functions are described as providing the in-country management oversight of all SA activities; to ensure they are conducted in a proper and legal manner and to provide the interface for the exchange of information and advice between the host nations' military establishment, the Chief of the US Diplomatic Mission, and DoD components responsible for the SA programs. This includes promotion of RSI, and other armaments cooperation measures among members of NATO and with the Armed Forces of Japan, Australia, and New Zealand in connection with SA programs.

(2) ***Advisory and Training.*** Personnel assigned to SAOs may provide advisory and training assistance to the host country military establishment; however, this assistance must be kept to an absolute minimum and cannot impact on the ability of the SAO to fully perform its SA management responsibilities.

(3) The Chief of the SAO, when designated the United States Defense Representative (USDR), will comply with DoD Instruction 5105.47, *US Defense Representatives in Foreign Countries*, on all matters relating to USDR. In general terms, the Chief will provide oversight and in-country supervision of personnel assigned to non-SA functions in addition to his SA functions and will serve as a channel of communications between non-SA personnel and the appropriate interested agencies, the UCOM, JCS, and DSCA, as well as facilitating interface with the host government and the Chief of the US Diplomatic Mission.

d. Those functions which are more properly performed by other than SA personnel assigned and funded under the authority of FAA Sec 515 are broken into the following categories:

(1) ***Advisory and Training.*** If direct advisory and training assistance is required for a specific purpose (particularly such assistance related directly to an FMS case), it must be provided by TAFTs, TATs, MTTs, or similar teams authorized by the FAA or the AECA and paid for by the host country through a case.

(2) ***Armaments Cooperation.*** Provide for the required in-country liaison, administration, information exchange and other activities in applicable countries in

support of the Nunn initiatives, allied participation in the SDI, the implementation of bilateral DIC MOUs, and other related armaments cooperation initiatives. When personnel are required to be dedicated to Armaments Cooperation, such personnel will be funded from other than SA sources. Personnel shall be under the supervision and oversight of the SAO Chief.

(3) ***Collateral Duties.*** Assignment of collateral duties must have the approval of the Chief of Mission. These collateral duties most often relate to functions performed on behalf of US forces under the direction of the CINC. If these duties are to be conducted on a permanent basis, a review and classification prior to assignment to determine appropriate funding category should be conducted and provided to the UCOM and the Director, DSCA. These duties may be performed by SAO personnel if they do not detract from the SAO's ability to efficiently perform the SA mission.

e. Following are the general criteria for reviewing, requesting, and approving SAO manning authorizations:

(1) The functions of the SAO as a whole and of each of its members must be related primarily to SA management. SAO manning must be justified based on the SA duties to be performed. If it is a SA management requirement, manning should be requested and funded through SA channels. If the requirement involves training and advising, it should be funded by the country. If the requirement is non-SA, manning requests should be justified and processed with the UCOM Special Activities Joint Manpower Program (JMP) and funded by other appropriation (e.g., O&M, MPA, or R&D).

(2) When a major US policy initiative with a country results in the need for personnel to support exercises, prepositioning, ship visits, or other efforts, these personnel should be provided under other appropriations. When these functions gradually accrue to the SAO, it is more difficult to determine the threshold at which personnel should be shifted to other appropriations or new personnel added. As a general rule, an individual should be on the SA JMP if he spends 50 percent or more of his time performing SA functions. Conversely, personnel spending 50 percent or more of their time performing non-SA functions should be carried as, or transferred to, an alternatively funded position.

(3) Problems can arise when a number of individuals in an SAO each accrue non-SA functions while performing mostly SA functions. During manpower reviews and upon the occasion of a request for increased manning, these functions should be sorted out, and if one man-year or more of the SAO's effort is devoted to O&M, MPA, R&D, or other functions, those functions should be combined into a single position, if possible, and funded accordingly.

(4) Many SA functions can be satisfied either by personnel who are permanently assigned to an SAO or by temporary personnel paid by the country on a case; i.e., TAFTs, TATs, MTTs. In this case, the degree of involvement, the extent of dedicated effort required to perform the function will be the determinant. In general,

temporary personnel from outside the SAO should be used to accomplish SA functions if those functions would detract from permanently assigned SA personnel performing their primary management and oversight duties or if it involves dedicated training and advising functions performed in the field or at least outside the local MOD central office. Permanently assigned SA personnel should not be dedicated to a single project when its primary purpose is to assist the host government in a function in which the host government should be ultimately self-sufficient. Dedicated planning, training, advising, and management of logistics centers are a few examples of SA functions that should be paid for by the host government.

(5) The determination of which positions, if any, will be added or changed to another funding source will be based on UCOM, JCS, and DSCA assessment of the extent of the degradation of the SA mission performance by non-SA duties. Any revised manpower costs as a result of such changes will be processed under the regular procedures of the JCS and applicable directives and will be coordinated with appropriate DoD offices.

(6) The SAO can provide normal administrative support for personnel assigned in country to perform non-SA functions so long as such support does not reach a level that would require additional administrative personnel. If the support for non-SA personnel requires additional administrative personnel, O&M, MPA, R&D, or other funded billets should be provided.

(7) Positions that are approved by authority other than an SAO JMP to perform non-SA functions under the oversight and supervision of the Chief of the SAO (or in his capacity as the US Defense Representative) should be clearly identified as such on the SAO JMP but not as an SAO personnel authorization.

f. A listing of appropriate SAO program management and oversight functions is at Table 300-4.

g. A listing of appropriate SAO Armaments Cooperation functions is at Table 300-5.

h. The SAO is responsible for safeguarding US classified information located in foreign countries which is required for conduct of the SA mission. Except for classified information that has been authorized for release to a foreign government or international organization pursuant to DoD Directive 5230.11, and is under the security control of that government or organization, the retention of US classified materiel is authorized only if it is necessary to satisfy USG requirements of the SA mission. This includes classified materiel temporarily transferred into a foreign country via USG personnel authorized to escort or handcarry such materiel. Whether permanently or temporarily retained, classified materials shall be stored under USG control as follows:

(1) At a US military installation, or a location where the US enjoys rights of inviolability, such as an embassy or consulate.

(2) At a USG activity located in a building used exclusively by USG tenants, provided the building is under 24-hour control by USG personnel.

(3) At a USG activity located in a building not used exclusively by USG tenants nor under host government control, provided the classified materiel is stored in security containers approved by the GSA and is placed under 24-hour control by USG personnel.

(4) At a USG activity located in a building not used exclusively by USG tenants but which is under host government control, provided the classified materiel is stored in GSA-approved security containers which are further secured in a locked room or area to which only USG personnel have access.

(5) When host government, including locally hired foreign national USG employees, and USG personnel are co-located, US classified materiel that has not been authorized for release to the host government pursuant to DoD Directive 5230.11 shall, to the extent possible, be segregated from releasable classified materiel to facilitate physical control and prevent inadvertent compromise. However, US classified materiel that is releasable to the host country need not be subject to the 24-hour US control requirement provided the host government exercises its own control measures over the pertinent areas or containers during non-duty hours.

(6) Foreign nationals shall be escorted while in areas where non-releasable US classified materiel is present. However, when required by operational necessity, foreign nationals may be permitted, during duty hours, unescorted entry to such areas provided the non-releasable information is properly stored or is under the direct personal supervision and control of cleared USG personnel who can prevent unauthorized access.

(7) Foreign nationals employed by the USG in SAOs or in other US installations may not have access to US classified information unless specifically authorized under a Limited Access Authorization (LAA) issued in accordance with Chapter III, DoD 5200.2-R. As the LAA is issued under the condition that access is not inconsistent with determination of releasability to the country of which the individual is a citizen, the requirements for control of non-releasable US classified information also apply to foreign nationals employed by the US.

i. Procedures for implementing AECA Sec 21(c)(2) require a report to Congress, under certain conditions, within 48 hours of the existence or change in status of significant hostilities or terrorist acts, or a series of such acts, that may endanger American lives or property.

(1) The report is required when all the following criteria are met, including instances where there is doubt in this regard:

(a) US military or US civilian personnel are in-country performing services under the AECA or the FAA, other than those assigned to SAOs. The term "defense services," does not include administrative services performed by the SAO assigned with the US diplomatic mission to manage SA. The term "US civilian personnel" means USG civilian employees and United States employees of US

firms under DoD contracts financed by SA funds, including FMS customer funds. If the SAO is the subject of hostile or terrorist acts, but there is no one else in country performing defense services, a report to Congress is not required.

(b) The existence or the change in status of hostilities or terrorist acts from the previous situation must be of a meaningful nature.

(c) The hostilities or terrorist acts constitute a general threat to American lives or property.

(2) Responsibility for identifying these situations rests with the Chief, SAO. The SAO will transmit a message by the most rapid means available to USD(P); DoD General Counsel (GC); CJCS; CINC UCOM; Director, DSCA; Director, DIA; and Secretary of State.

(3) The SAO report must show the identity of the country; description of the hostilities or acts, including an explanation of how they constitute a meaningful change in the existing situation; the estimated number of US personnel present in country; and any additional information needed to assist report recipients in evaluating the situation.

(4) Upon receipt of a report, the Director, DSCA, through DSCA GC, will consult immediately with the DoD GC, providing relevant facts and a recommendation as to whether a report to Congress under Sec 21(c)(2) should be made. DoD GC will then consult with USD(P), CJCS, DoS, and others as appropriate, to determine whether a report to Congress will be made and will advise the SecDef or DepSecDef of the conclusion.

(5) If a report to Congress is required, DoD GC will advise the Director, DSCA, and provide an approved draft of the report. The Director, DSCA, will submit the required report to Congress. If a report is not required, DoD GC will prepare a memorandum for record and provide a copy to Director, DSCA.

Table 300-1 -- Decision Channels for Security Assistance.

DECISION CHANNELS FOR SECURITY ASSISTANCE

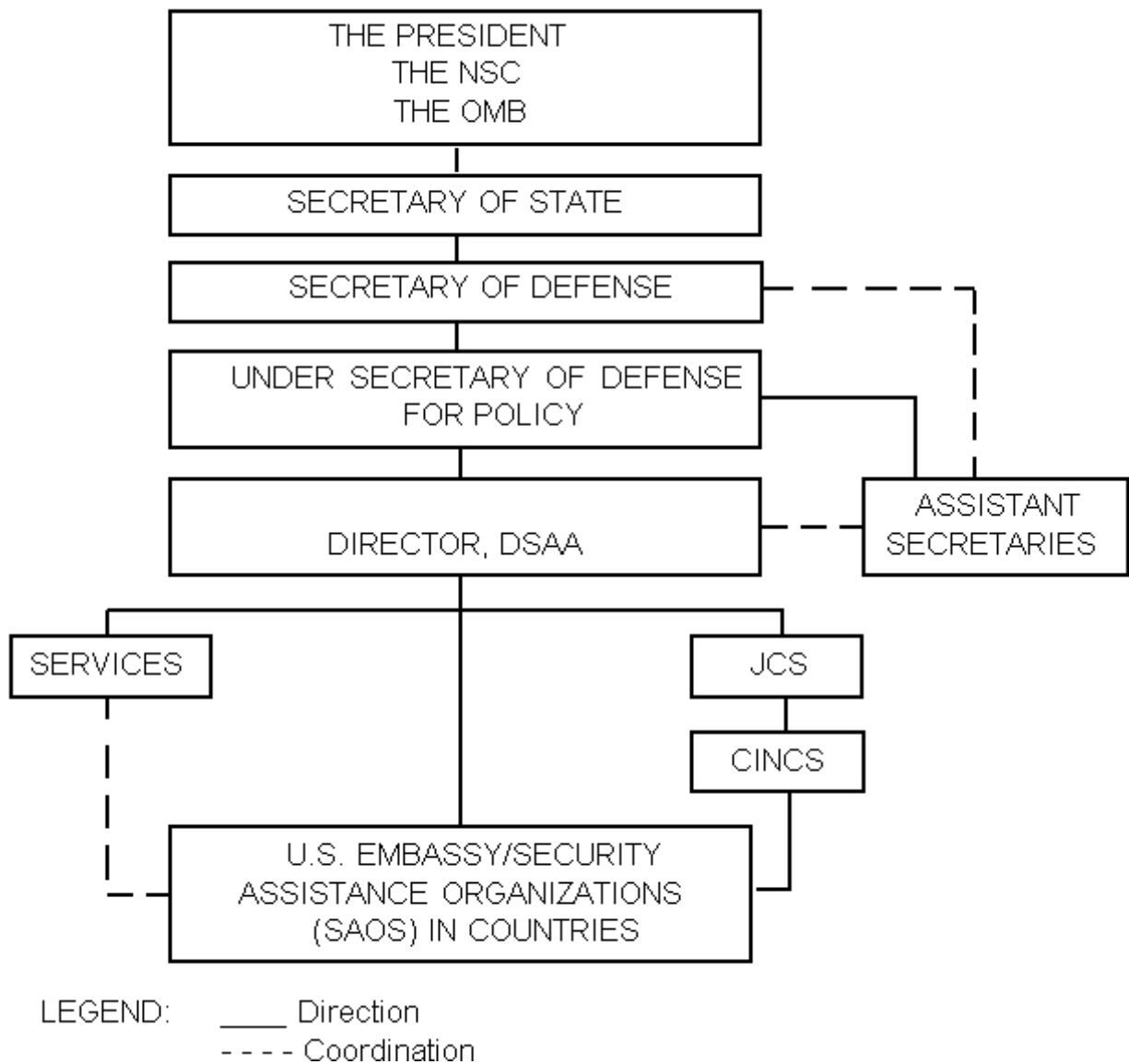


Table 300-2 -- Armaments Cooperation Decision Relationships for SAOs

ARMAMENT COOPERATION DECISION RELATIONSHIPS FOR SAOs

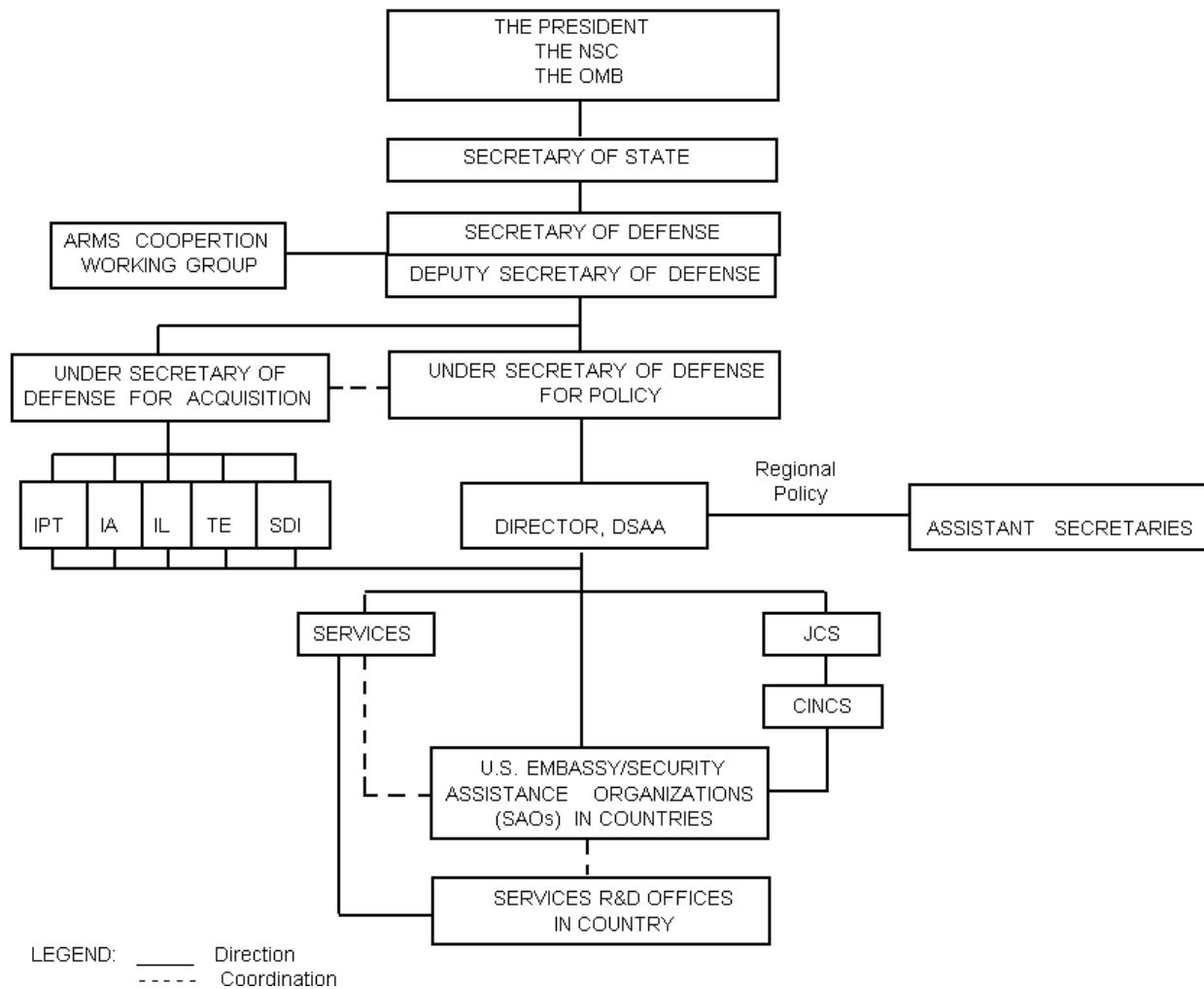


Table 300-3 -- Armaments Cooperation Programs

<u>Type of Program</u>	<u>Responsible Office</u>
1. US development and acquisition, involving the expenditure of US funds, or equivalent compensation, to acquire foreign technical information or components.	USD(A)
2. Joint US/foreign development programs involving shared efforts and expenditure of US funds or equivalent compensation.	USD(A)
3. Foreign production of US designed equipment (i.e., coproduction) under predominantly commercial arrangements with shared product improvement potential involving US funds committed or anticipated.	USD(A)
4. Foreign production of US designed equipment, under either commercial or FMS arrangements, with no US program or commitments involved (but with flowback included without	DSCA

	charge).	
5.	Foreign production of US designed equipment (i.e., coproduction with anticipated or committed US second source utilization (foreign countries acquisition of US data or equipment by means of either commercial or FMS arrangement is secondary issue).	USD(A)
6.	Foreign production of US designed equipment (i.e., coproduction) where principal issue is acquisition of data or equipment from US sources, via FMS or commercial, without US commitment or funding for second source.	DSCA
7.	Sale of US equipment or services in order to further the foreign production of US designed equipment with no US commitment or funding involved.	DSCA
8.	Cooperative logistics support arrangements for alliance fielded equipments.	ASD (P&L)

Table 300-4 -- SAO Security Assistance Program Management and Oversight Functions

Maintain liaison among DoD components, the appropriate elements of the US Diplomatic Mission, and the foreign defense organization in order to:

1. Enable the foreign government to acquire information needed to make decisions concerning the acquisition, use, and required training involved in obtaining defense articles and services from the United States through SA programs (keeping in mind that the host countries are to be encouraged to establish and depend, to the extent possible, upon their own procurement missions in the United States).
2. Obtain information needed to evaluate host military capability to employ and maintain equipment being requested and to assist, as required, in the processing of the foreign government's security assistance proposals.
3. Enable the United States to request the foreign government to take action in order to facilitate the timely, efficient, and responsible implementation of approved security assistance programs.
4. Assist US Military Departments and their subordinate elements in arranging for the receipt, transfer, and acceptance of security assistance materiel, training, and other services for recipient countries.
5. Monitor the progress of DoD security assistance programs and transactions, initiating appropriate remedial action or advising appropriate DoD components on problems and issues encountered.
6. Perform required in-country programming, planning, management, and implementation functions relating to FMS and International Military Education and Training programs.

7. Keep host country military officials informed on appropriate US security assistance laws, policies, and procedures.
8. Monitor FMS billing statements and payments and keep the appropriate host military informed, as necessary, on financial requirements and procedures.
9. Engage the host military, to the extent practicable, in cooperative planning for total military acquisitions in an orderly fashion over a three-to five-year planning period.
10. Enable the United States to acquire information concerning potential future defense acquisitions by the foreign government and anticipate demands on US resources.
11. Observe and report on the utilization by the host country of defense articles, defense services, and training of US origin. This function should be carried out as a secondary duty. How and to what extent such observation and reporting should and can be done will vary considerably from country to country, and thus no standard procedures are prescribed. The process for accumulation of information should use all available resources (e.g., country reporting or documentation, TDY personnel assigned in country performing other duties, other elements of the US Diplomatic Mission, and spot checks during the normal course of SAO duties and travel). Reporting should be done on an exception basis through established security assistance channels. Records, as accumulated, should be kept on file at the SAO.
12. Assist the host government in the identification, administration, and proper disposition of security assistance materiel that is in excess of current needs.
13. Provide input to the Chief of the US Diplomatic Mission for preparation of the Annual Integrated Assessment of Security Assistance and the Consolidated Data Report.
14. Coordinate and supervise the activities of all personnel, other than those assigned to the SAO under the authority of Section 515 of the FAA, who are in country under DoD sponsorship (excluding DIA) or other SA authority.
15. When authorized, coordinate and facilitate the interface between US defense industry representatives and the host nation defense establishment, and provide oversight, without limitation to any particular country or group of countries, for in-country RSI and DIC agreements and initiatives.
16. Manage the C-12 aircraft activities, when assigned to the SAO.
17. Perform SAO administrative functions to include preparing and administering the SAO budget and continuously reviewing SAO organizational and manning requirements consistent with US law and DoD manning criteria.

Table 300-5 -- SAO Armaments Cooperation Functions

1. In support of overall armaments cooperation activities:

a. Liaison for Armaments Director to counterparts in host country Ministry, services and industry for:

- Representations,
- Information exchange,
- Coordination of contacts,
- Advisor on in-country technical capabilities and military developments.

b. Advisor/liaison for Armaments Director for cooperation in research, development, production and support of military systems for:

- Identification of possibilities and contacts,
- Transmittal of proposals and liaison with contacts,
- Point of contact for exchange of data, information, and questions on DoD and NATO cooperative initiatives and programs,
- Stimulation of host country participation in cooperative initiatives (e.g., emerging technologies, SDI, Nunn Amendment concerning cooperative projects),
- Participation in negotiations for initiation and continuation of cooperative programs and monitor ongoing programs,
- Identification of problem areas and proposing solutions.

2. In support of specific armaments cooperation (AC) activities:

a. Liaison for DoD planning and advisory activities intended to develop defense industrial capabilities in those nations with whom we have a formal AC agreement:

- Identification of host country defense industry needs and capabilities,
- Point of contact for exchange of data,
- Monitoring and assessment of projects under way.

3. In support of specific reciprocal defense procurement MOU/MOA implementation:

a. Substantive and administrative participation and support for:

- Bilateral MOU/MOA meetings,
- Renegotiation of MOU/MOAs and negotiations of annexes to MOU/MOAs,
- Seminars (government and industry) intended to explain acquisition practices.

b. Point of contact for MOD and foreign firms on DoD acquisition and logistics practices and contacts for:

- Explanation of DoD practices,

- Identification of DoD contacts,
 - Interface with host country staff/organizations where implementing annex exists.
- c. Point of contact for OSD and foreign governments to support initiatives to establish new reciprocal procurement MOU/MOAs.
4. Applicable to all of the above categories are other activities including:
- a. Monitoring participating arrangements for protection of US and allied technologies and military systems as necessary to ensure continued cooperative activities.
 - b. Coordinating host country cooperative activities such as hosting meetings with US theater force activities, US Mission NATO activities, and representatives of CONUS organizations located in host country involved with armaments cooperation/DIC.
 - c. Providing liaison and advisory support for the Services' activities in support of cooperative programs.
 - d. Providing administrative support for visits in connection with above.
 - e. Serving as POC for US defense industry visits.

Section 301 -- Relationships

30101 -- Channels of Communications.

- A. Personnel assigned to SAOs serve under the direction and supervision of the Chief of the United States Diplomatic Mission to the extent provided by law and in accordance with the President's letter to Chiefs of Missions (COM). Unified Command security assistance responsibilities include the provision of necessary technical assistance and administrative support. The chief, SAO, shall ensure that all activities and those of his organization and fully coordinated with the COM.
- B. The primary channel of communication is direct between the in-country SAO, the DSCA, and the MILDEP security assistance elements as appropriate. Information copies of communications of record are provided to the Unified Command for evaluation and comment as specified by the Unified Commander.
- C. The Services maintain overseas offices directly under their Commands which coordinate acquisition activities, identify technological capabilities, stimulate participation in joint projects and fund local basic research and studies. Recognizing the potential of these Service offices to the SAOs, formal liaison arrangements will be established locally, with applicable unified command cognizance, to maximize complementary activities.

30102 -- Directives and Record Communications.

Security assistance directives and record communications to the Unified Commands, SAOs, and MILDEPs that have military operational or policy implications require coordination with the OJCS. All JCS SA directives and record communications to the Unified Commands (e.g., new fighter aircraft sales policy recommendations), SAOs, and MILDEPs require coordination with the Director, DSCA. If appropriate, the Director, DSCA will coordinate further within the Office of the SECDEF and the Executive Branch.

Next Section